



MICHELLE BAASS
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

State of California Medi-Cal Dental Services Directed Payment Program
Annual Evaluation for Program Year 3.5: July 2020 – December 2020

The Proposition 56 Medi-Cal Dental Services Directed Payment Program (DPP) Annual Evaluation conveys the results of the Evaluation Plan originally submitted by the California Department of Health Care Services (DHCS) in accordance with Title 42 of the Code of Federal Regulations (CFR), section 438.6(c)(2)(ii)(D). Specifically, this Annual Evaluation concerns the Medi-Cal Dental Services DPP that was in effect during the Program Year (PY) 3.5 from July 2020 through December 2020, and was approved by the Centers for Medicare and Medicaid Services pursuant to 42 CFR section 438.6(c).

Directed Payment Program Being Evaluated:

This DPP directs Medi-Cal Dental Managed Care Plans (Dental MCPs) to make uniform and fixed dollar amount add-on payments to eligible network providers based on the utilization and delivery of qualifying dental services which included specific restorative, endodontic, prosthodontic, periodontal, oral and maxillofacial, orthodontics, adjunctive, and visits for diagnostics and preventive services identified by the Current Dental Terminology (CDT) codes. This directed payment arrangement was developed in accordance with the California Healthcare, Research, and Prevention Tobacco Tax Act of 2016 (Proposition 56), a ballot proposition to increase the excise tax rate on cigarettes and other tobacco products for the purpose of funding certain State expenditures including health care programs administered by DHCS.

Evaluation Purpose and Related Questions:

The State has directed Dental MCPs to make the enhanced payments to eligible Dental Health Professionals for specified dental services eligible for Proposition 56 funds. These enhanced payments will be in addition to contracted providers' existing payments and are expected to enhance the quality of patient care experience by supporting Dental Health Professionals in California to deliver effective, efficient, and affordable care.

The purpose of this Annual Evaluation is to identify if higher payments to qualifying dental providers serve to maintain or improve utilization of dental services by Medi-Cal beneficiaries in PY 3.5 for July 1, 2020 to December 31, 2020. PY 3.5 is a reporting period of 6 months, with the evaluation period outlined in the Evaluation Design to end on December 31, 2020. However, the dental services performance measures (i.e., Annual Dental Visits, Preventive Services, and Dental Treatment Services) are only

reported in 12-month intervals, such that DHCS has included the data if the services were rendered during this reporting period. DHCS therefore utilized data for the entire calendar year (CY) January 1, 2020 to December 31, 2020 versus July 1, 2020 to December 31, 2020 to determine performance for PY 3.5. This evaluation is designed to answer the following questions concerning the Dental Services DPP for this evaluation period:

1. Do higher directed payments to dental providers in PY 3.5 maintain or improve the percentage of Annual Dental Visits in PY 3.5?
2. Do Higher directed payments to dental providers in PY 3.5 maintain or improve the percentage of Preventive Services Utilization in PY 3.5?
3. Do higher directed payments to dental providers in PY 3.5 maintain or improve the percentage of Dental Treatment Services Utilization in PY 3.5?

Evaluation Design:

DHCS utilized the measurement year PY 3.5 (CY 2020), PY 3 (SFY 2019-2020), PY 2 (SFY 2018-2019), PY 1 (SFY 2017-2018), and baseline year (SFY 2016-2017) to identify any changes in utilization patterns with the target of maintaining or increasing the baseline number in PY 3.5. The data measures Medi-Cal beneficiaries who were enrolled in the same Dental MCP for at least three continuous months during the measurement year, and excludes provider types that did not receive Proposition 56 funds, including Federally Qualified Health Centers, Rural Health Clinics, Tribal Health Clinics, and Cost-Based Reimbursement Clinics. DHCS further stratified the results by children (ages 0-20) and adults (ages 21 and above) for specific utilization patterns.

Data Sources:

The encounter data utilized for this report was derived from the adjudicated encounter data submitted by the six Dental MCPs in Sacramento and Los Angeles counties. The Dental MCPs submit encounter data to DHCS' Post-Adjudicated Claims and Encounters System (PACES) on a weekly basis and the PACES team submits the encounter data to the Management Information System/Decision Support System (MIS/DSS). The three months' continuity data is derived from the Medi-Cal Eligibility Data System that transfers data to MIS/DSS on a monthly basis. DHCS calculated dental services utilization using the eligibility and encounter data from DHCS' MIS/DSS.

Annual Evaluation Results:

1. Annual Dental Visits: This measure identifies the percentage of Medi-Cal beneficiaries enrolled in a Dental MCP for three continuous months who had at least one (1) dental visit (CDT codes D0100 – D9999) in the measurement year. Tables A and B show the Annual Dental Visits in Medi-Cal children and adults for the baseline year, PY 1, PY 2, PY 3, and PY 3.5. The results show that the Annual Dental Visits increased in both children and adults from the baseline year to PY 2,

reflecting a desired outcome for this performance measure. PY 3 and PY 3.5 showed a decrease in dental utilization due to the COVID-19 public health emergency (PHE), which required dental offices to close and Medi-Cal beneficiaries to postpone all non-emergency health services, including all such dental visits for program beneficiaries. DHCS is therefore unable to definitively assess the impact of the Dental Services DPP in PY 3.5 due to the overall decrease in dental utilization as a result of the COVID-19 PHE. However, DHCS expects to see an increase in PY 4 utilization as a result of dental offices re-opening and the positive impacts of this DPP similar to PY 1 and PY 2. DHCS will continue to monitor this measure in future program years.

Table A: Annual Dental Visits in Dental Managed Care (DMC) Children (Ages 0-20) for Baseline Year (SFY 2016-2017), PY 1 (SFY 2017-2018), PY 2 (SFY 2018-2019), PY 3 (SFY 2019-2020), and PY 3.5 (CY 2020).

Measure	Baseline Year ¹	PY 1 ²	PY 2 ³	PY 3 ⁴	PY 3.5 ⁵
Three Months Continuous Eligibility	473,740	425,691	391,705	371,506	358,032
Any Dental Services Users	188,888	176,390	165,208	139,307	118,127
Annual Dental Visit %	39.87%	41.44%	42.18%	37.50%	32.99%

Table B: Annual Dental Visits in DMC Adults (Ages 21 and Above) for Baseline Year (SFY 2016-2017), PY 1 (SFY 2017-2018), PY 2 (SFY 2018-2019), PY 3 (SFY 2019-2020), and PY 3.5 (CY 2020)

Measure	Baseline Year	PY 1	PY 2	PY 3	PY 3.5
Three Months Continuous Eligibility	622,675	581,098	547,521	532,050	526,142
Any Dental Services Users	117,960	116,833	115,636	97,703	91,004
Annual Dental Visit %	18.94%	20.11%	21.12%	18.36%	17.30%

¹ Data as of October 2018.

² Data as of May 2020.

³ Data as of October 2021.

⁴ Data as of October 2021.

⁵ Data as of October 2021.

2. Preventive Services Utilization: This measure identifies the percentage of beneficiaries enrolled in Medi-Cal for three continuous months who received any preventive service (CDT Codes D1000 – D1999) in the measurement year. Tables C and D show the Preventive Services Utilization in Medi-Cal children and adults for the baseline year, PY 1, PY 2, PY 3, and PY 3.5. Similar to the Annual Dental Visits, Preventive Services Utilization in children consistently increased from the baseline year to PY 2, but was subsequently substantially impacted by the COVID-19 PHE. However, Preventive Services Utilization in adults showed an increase in PY 3.5 relative to PY 3, which is a desired outcome of the Dental Services DPP. DHCS will continue to monitor this measure in future program years.

Table C: Preventive Services Utilization in DMC Children (Ages 0-20) Baseline Year (SFY 2016-2017), PY 1 (SFY 2017-2018), PY 2 (SFY 2018-2019), PY 3 (SFY 2019-2020), and PY 3.5 (CY 2020)

Measure	Baseline Year	PY 1	PY 2	PY 3	PY 3.5
Three Months Continuous Eligibility	473,740	425,691	391,705	371,506	358,032
Preventive Services Users	161,099	152,093	143,174	119,332	99,066
Preventive Services Utilization %	34.01%	35.73%	36.55%	32.12%	27.67%

Table D: Preventive Services Utilization in DMC Adults (Ages 21 and Above) Baseline Year (SFY 2016-2017), PY 1 (SFY 2017-2018), PY 2 (SFY 2018-2019), PY 3 (SFY 2019-2020), and PY 3.5 (CY 2020)

Measure	Baseline Year	PY 1	PY 2	PY 3	PY 3.5
Three Months Continuous Eligibility	622,675	581,098	547,521	532,050	526,142
Preventive Services Users	46,438	47,898	50,004	41,069	42,633
Preventive Services Utilization %	7.46%	8.24%	9.13%	7.72%	8.10%

3. **Dental Treatment Services Utilization:** This measure identifies the percentage of beneficiaries enrolled in Medi-Cal for three continuous months who received any dental treatment service (CDT codes D2000 – D9999) in the measurement year. Tables E and F show the Dental Treatment Services Utilization in Medi-Cal children and adults for the baseline year, PY 1, PY 2, PY 3, and PY 3.5. In comparison with the baseline year, Dental Treatment Services Utilization in children decreased in PY 3 and PY 3.5 as a result of the overall decrease in utilization due to the COVID-19 PHE. Dental Treatment Services Utilization in adults decreased in PY 3.5 relative to prior PYs but remained higher than the baseline year. DHCS will continue to monitor this measure in future PYs.

Table E: Dental Treatment Services Utilization in DMC Children (Ages 0-20) Baseline Year (SFY 2016-2017), PY1 (SFY 2017-2018), PY 2 (SFY 2018-2019), PY3 (SFY 2019-2020), and PY 3.5 (CY 2020)

Measure	Baseline Year	PY 1	PY 2	PY 3	PY 3.5
Three Months Continuous Eligibility	473,740	425,691	391,705	371,506	358,032
Dental Treatment Users	92,952	90,271	89,840	77,173	68,183
Dental Treatment Utilization %	19.62%	21.21%	22.94%	20.77%	19.04%

Table F: Dental Treatment Services Utilization in DMC Adults (Ages 21 and Above) Baseline Year (SFY 2016-2017), PY 1 (SFY 2017-2018), PY 2 (SFY 2018-2019), PY 3 (SFY 2019-2020), and PY 3.5 (CY 2020)

Measure	Baseline Year	PY 1	PY 2	PY 3	PY 3.5
Three Months Continuous Eligibility	622,675	581,098	547,521	532,050	526,142
Dental Treatment Users	69,554	73,137	78,497	66,092	61,626
Dental Treatment Utilization %	11.17%	12.59%	14.34%	12.42%	11.71%

Evaluation Limitations:

The three dental performance measures were used to determine the utilization of dental services during the baseline year, PY 1, PY 2, PY 3, and PY 3.5 as a result of the Dental Services DPP. Unfortunately, during PY 3 and PY 3.5, dental utilization was substantially impacted by the COVID-19 PHE, resulting in lower dental services utilization relative to previous program years. The Dental Services DPP was unable to operationalize under normal circumstances, which is also reflected in the data. DHCS will continue to monitor dental services utilization and anticipates that this DPP will help improve utilization in future program years as operations return to normal for dental offices and beneficiaries are willing to utilize available dental services.

Conclusions:

Dental services utilization decreased in PY 3.5 due to the profound effect that the COVID-19 PHE had on dental office closures—many as a direct result of the State’s mandates limiting business operations. Accordingly, DHCS is unable to determine the statistical impact that the Dental Services DPP had dental services utilization in PY 3.5. Overall, dental services utilization in PY 3.5 decreased, as follows:

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1. Annual Dental Visits decreased by 6.88 and 1.64 percentage points in children and adults, respectively, when compared to the baseline year.
2. Preventive Services Utilization decreased by 6.34 percentage points in children and slightly increased by 0.64 percentage points in adults when compared to the baseline year.
3. Dental Treatment Services Utilization decreased by 0.58 percentage points in children and slightly increased by 0.54 percentage points in adults when compared to the baseline year.